

Wholly owned subsidiaries

C&C Yachts Manufacturing Ltd.

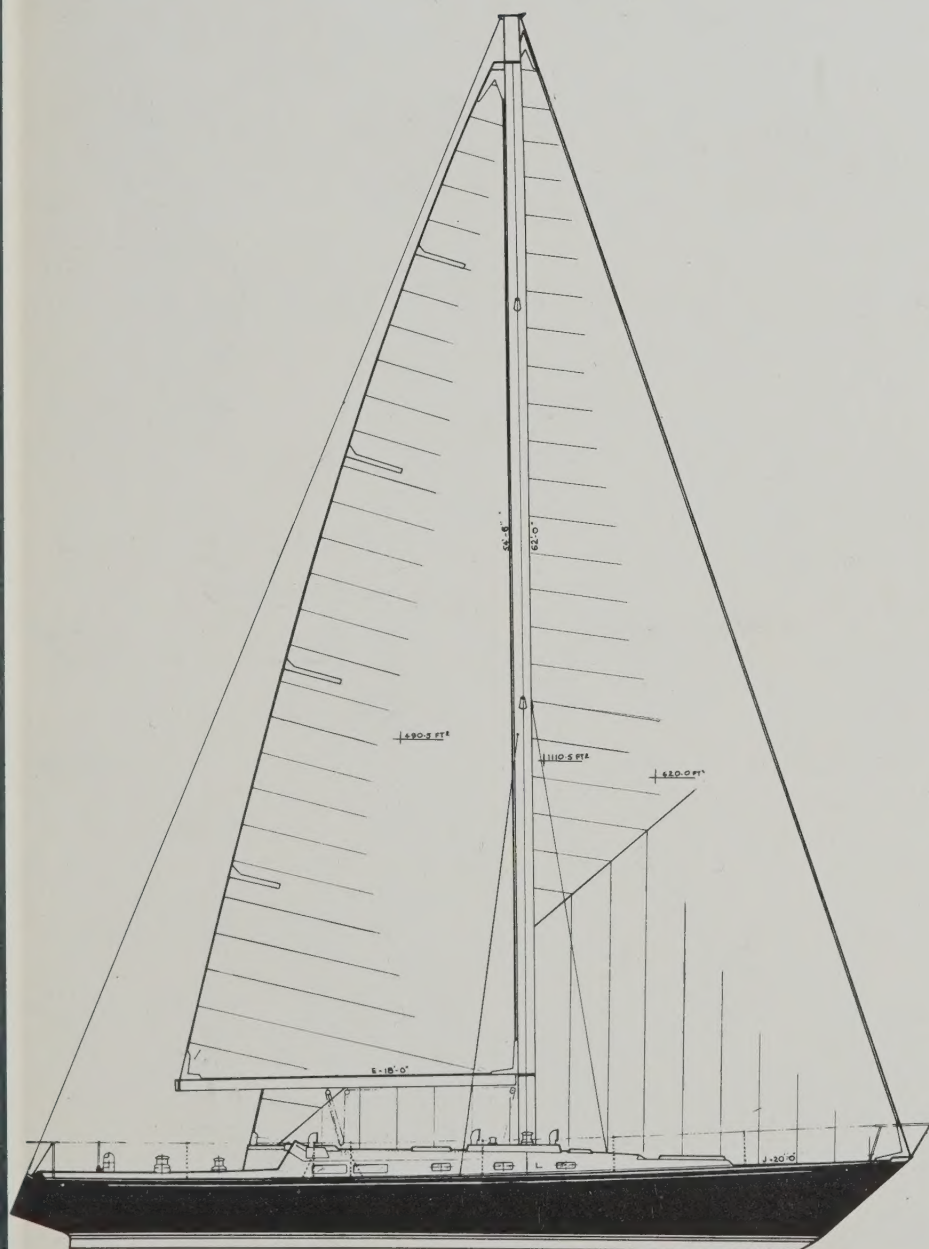
C&C Yacht Sales Ontario Ltd.



AR19

Financial Report for the
six months ended 31 March, 1973

Can Cap



1st quarter

2nd quarter

C & C Custom 48 — the first of these, 'Ensign Four', will be
launched in May for an American owner.

Consolidated statement of earnings (unaudited)

	1973 \$	1972 \$
Sales	3,234,962	2,047,833
Cost of Sales	2,548,358	1,506,053
Gross Profit	686,604	541,780
Expenses — Selling	207,993	129,062
Administrative	296,445	279,638
	504,438	408,700
Earnings before tax	182,166	133,080
Provision for income taxes	80,153	63,613
Earnings before extraordinary item	102,013	69,467
Extraordinary item — Non-recurring capital gain	17,731	—
Net earnings for the period	119,744	69,467
Earnings per share before extraordinary item	11¢	7¢
Net earnings per share	13¢	7¢

Consolidated statement of source and use of working capital (unaudited)

	1973 \$	1972 \$
Source of working capital		
Net Earnings for the period before extraordinary item	102,013	69,446
Items not affecting working capital —		
Depreciation	132,764	107,419
Deferred Income taxes	—	(18,550)
Provided from operations	234,777	158,315
Bank loan	—	140,000
Proceeds from sale of investment	17,831	—
	252,608	298,315
Use of working capital		
Fixed assets	249,189	284,991
Dividend	76,000	—
Bank loan	50,000	—
7½ % mortgage instalments	1,248	1,248
	376,437	286,239
(Decrease) Increase in Working Capital	(123,829)	12,076

To the Shareholders

Sales for this period improved by some 58% over the same period last year. In part this resulted from higher levels of shipping during this past winter.

We have been generally unable to reflect increasing costs of materials and operations in our prices in the face of competitive pressure in the United States.

The net profit before tax and the extraordinary item was up 37%. The net profit after tax for the period is 11¢ per share. The market is continuing buoyant

and we anticipate a good second half with sales for the year to total about \$8.5 million. Some improvement in prices is forecast but the effects will not be apparent until next year.

George A. Hinterhoeller

President,

Port Credit, Ontario